

**BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

IN RE:

**APPLICATION OF AIR
VOICEWIRELESS, LLC D/B/A
FEELSAFE WIRELESS FOR
DESIGNATION AS AN ELIGIBLE
TELECOMMUNICATIONS CARRIER IN
THE STATE OF SOUTH CAROLINA**

)
)
)
)
)
)
)

DOCKET NO: 2014-350-C

PREFILED DIRECT TESTIMONY OF MELISSA KALLABAT

SUBMITTED BY

AIR VOICE CORPORATION d/b/a FEELSAFE WIRELESS

1 **Q. PLEASE STATE YOUR NAME, PLACE OF EMPLOYMENT AND BUSINESS**
2 **ADDRESS.**

3
4 A. My name is Melissa Kallabat I am employed by Air Voice Wireless, LLC, d/b/a
5 Feelsafe Wireless (“Air Voice” or the “Company”) as its Director of Operations. My
6 business address is Air Voice, LLC, 2425 Franklin Road, Bloomfield Hills, Michigan
7 (48302).

8 **Q. PLEASE DESCRIBE YOUR WORK EXPERIENCE.**

9 I have been employed by Air Voice since graduating from the University of
10 Michigan in 2003. I was first employed as a customer service representative, then as the
11 company’s GSM Operations Manager, and most recently as Director of Operations since
12 May of 2011.

13 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

14 A. The purpose of my testimony is to discuss the qualifications of Air Voice to be
15 designated as an Eligible Telecommunications Carrier (“ETC”) for the purpose of
16 receiving federal universal service “Lifeline” support from the low income fund.

17 **Q. PLEASE DESCRIBE AIR VOICE.**

18 A. Air Voice is a limited liability company organized in the State of Michigan in 1999.
19 FeelSafe Wireless is a trade name of Air Voice. Air Voice is a commercial mobile radio
20 services (“CMRS”) carrier as defined by 47 C.F.R. 20.9 and a telecommunications carrier
21 as defined by 47 U.S.C. 153. Air Voice will offer resold wireless services in South Carolina
22 which Air Voice will obtain from its underlying wireless provider, AT&T. AT&T’s
23 extended footprint allows Air Voice to provide expanded coverage throughout otherwise
24 underserved markets. Air Voice has developed and implemented a network that delivers
25 all of the services required by the federal Lifeline guidelines, and employs the AT&T

1 carrier network to ensure ubiquitous coverage. Air Voice operates a customer service
2 facility located in Bloomfield Hills, Michigan. Air Voice will offer handsets and
3 discounted voice services to eligible low-income customers under its trade name FeelSafe
4 Wireless if it receives ETC designation.

5 **Q. WHAT IS THE NATURE OF AIR VOICE’S ETC DESIGNATION REQUEST?**

6 A. Air Voice is only asking for designation in order to provide Lifeline service to
7 qualifying South Carolina consumers; it will not request funds from the federal Universal
8 Service Fund for the purpose of providing service to high cost areas.

9 **Q. IN WHICH OTHER JURISDICTIONS DOES AIR VOICE OFFER SERVICES AS**
10 **AN ETC?**

11
12 A. Air Voice has been designated as an ETC in California Kentucky, Michigan,
13 Wisconsin, Ohio, and Pennsylvania. Air Voice currently has applications for ETC
14 designation pending with, Indiana, Mississippi, Oklahoma, and is awaiting designation as
15 an ETC by the FCC for the states of Alabama, Connecticut, Delaware, District of
16 Columbia, Florida, New Hampshire, New York, North Carolina, Tennessee, Texas and
17 Virginia. No applications have been denied.

18 **Q. DOES THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA HAVE**
19 **JURISDICTION TO DESIGNATE AIR VOICE AS AN ETC?**

20
21 A. Yes, Section 214(e)(2) of the Communications Act authorizes state commissions
22 such as the Public Service Commission of South Carolina to designate ETC status for
23 federal universal service purposes. The FCC has further ruled that Section 214(e)(2)
24 “provides state commissions with the primary responsibility for designating ETCs. The
25 FCC has promulgated rules governing ETC designations, set forth at 47 C.F.R. §54.101,
26 §54.201-203, and §54.205-207 (the “FCC Rules”) to establish various requirements for

1 carriers to obtain ETC status. Applicants seeking ETC status in South Carolina must
2 address and satisfy each of the ETC designation criteria under the FCC Rules and S.C.
3 Code Reg. 103-690.

4 **Q. PLEASE IDENTIFY THE AREA IN WHICH AIR VOICE SEEKS DESIGNATION**
5 **AS AN ETC.**

6 A. The wire centers in which Air Voice is seeking ETC designation are listed in
7 Exhibit C to Air Voice' Application and are located in every region of the state. Because
8 Air Voice only seeks low-income support from the USF, it requests that the Commission
9 waive that portion of S.C. Code Reg. 103-690 requiring a "cream skimming" analysis.

10 **Q. PLEASE DESCRIBE AIR VOICE' SERVICE OFFERING.**

11 A. As summarized in Exhibit "D" the Company's application, the proposed Lifeline
12 rate plan includes a free phone and 250 free voice minutes each month. Unused minutes
13 expire at the end of the last day of their cycle, and the account is then automatically
14 replenished with the next month's 250 free voice minutes. If a subscriber runs out of
15 minutes, he or she has the option to purchase additional voice minutes billed at \$.10 per
16 minute. This plan includes nationwide coverage and access to voice mail, call waiting,
17 three way calling, call forwarding and Caller ID features at no cost. There is no additional
18 charge for toll calls or calls to Air Voice customer care. Calls to 911 are free, regardless of
19 service activation or availability of minutes. Lifeline customers also have the option, for
20 an additional fee, to purchase the text and data plans that are available to all Air Voice
21 customers. Air Voice's prepaid offering will be an attractive alternative for consumers who
22 need the mobility, security, and convenience of a wireless phone, but who are concerned
23 about usage charges or long-term contracts.

1 **Q. WILL A LIFELINE CUSTOMER EVER INCUR ROAMING CHARGES?**

2 A. Air Voice does not charge customers for roaming.

3 **Q. WILL CUSTOMERS BE ABLE TO KEEP TRACK OF THEIR USAGE?**

4 A. Yes, a customer can check their account balance by dialing *777# SEND from their
5 handset at any time. The balance will display on the screen of the phone in the number of
6 minutes available. In addition, a balance notification message will appear on the screen of
7 the phone after every call is ended.

8 **Q. HOW CAN CUSTOMERS COMMUNICATE WITH AIR VOICE?**

9 A. Our customer service center is open Monday through Saturday from 10:00 a.m. to
10 10:00 p.m. EST and Sunday from 10:00 a.m. to 6:00 p.m. EST.

11 **Q. HAS AIR VOICE' COMPLIANCE PLAN BEEN APPROVED BY THE FEDERAL**
12 **COMMUNICATIONS COMMISSION ("FCC")?**

13
14 A. Air Voice' compliance plan was approved by the FCC and is attached to the
15 company's application as Exhibit G.

16 **Q. WHAT ARE THE FEDERAL REQUIREMENTS FOR DESIGNATION AS A**
17 **LIFELINE ONLY ETC?**

18
19 A. To be designated an ETC for purposes of receiving "Lifeline support" from the
20 federal Universal Service Fund, an applicant must:

21 (1) be a common carrier, as defined by 47 U.S.C. § 153(10);

22 (2) offer throughout its proposed service areas the supported services set forth in
23 47 C.F.R. § 54.101(a) either by using its own facilities or a combination of its
24 own facilities and the resale of another carrier's services;

25 (3) advertise the supported services throughout the designated service area; and,

26 (4) demonstrate that it is financially and technically capable of providing the
27 Lifeline service in compliance with 47 C.F.R. § 54.202(a)(4).

1 **Q. IS AIR VOICE A COMMON CARRIER AS DEFINED BY 47 U.S.C. §153(10)?**

2
3 A. Yes. Air Voice is regulated as a common carrier in connection with its provision of
4 Commercial Mobile Radio Service (“CMRS”). Therefore, Air Voice certifies that it is a
5 common carrier for purposes of ETC designation.

6 **Q. DOES AIR VOICE OFFER THE SUPPORTED SERVICES SET FORTH IN 47**
7 **C.F.R. § 54.101(a) EITHER BY USING ITS OWN FACILITIES OR A**
8 **COMBINATION OF ITS OWN FACILITIES AND THE RESALE OF ANOTHER**
9 **CARRIER’S SERVICES?**

10
11 A. Through its wholesale agreement with AT&T, Air Voice will offer all required
12 services and functionalities. Upon designation as an ETC in South Carolina, and consistent
13 with state and federal policies favoring universal service,

14 Air Voice will offer voice telephony services as described in the amended Section
15 54.101 of the FCC Rules. To the extent that the Commission continues to require ETCs to
16 provide those services supported by federal universal service support mechanisms
17 previously enumerated in 47 C.F.R. § 54.101(a), Air Voice commits to satisfy state voice
18 service requirements. Air Voice will also provide local service at no additional charge.

19 The Company also will provide access to emergency services provided by local
20 government or public safety officials, including 911 and enhanced 911 (“E911”) where
21 available and will comply with any Commission requirements regarding E911-compatible
22 handsets. As discussed above, the Company will comply with the Commission’s
23 forbearance grant conditions relating to the provision of 911 and E911 services and
24 handsets. Air Voice also commits to remit 911 revenues to local authorities. The Company
25 commits to pay in a timely manner all applicable federal, state and local regulatory fees,
26 including but not limited to universal service and E911 fees.

27 Air Voice will not provide toll limitation service (“TLS”), which allows low-

1 income consumers to avoid unexpected toll charges. However, since the Company is a
2 prepaid service provider, customers cannot be disconnected for failure to pay toll charges,
3 nor are there additional charges for exceeding their minutes. Further, the Company, like
4 most wireless carriers, does not differentiate domestic long distance toll usage from local
5 usage and all usage is paid for in advance. Pursuant to the FCC's Lifeline Reform Order,
6 subscribers to such services are not considered to have voluntarily elected to receive TLS.
7 The Company will not seek reimbursement for TLS.

8 Air Voice will provide access to operator services and directory assistance.
9 Customers can contact directory assistance by calling 1-800-FREE 411 or can contact
10 customer service by dialing 611 from their handset.

11 **Q. WILL AIR VOICE ADVERTISE THE SUPPORTED SERVICES THROUGHOUT**
12 **THE DESIGNATED SERVICE AREA?**
13

14 Air Voice is fully prepared to and will comply with the federal and state
15 requirements that it advertise the availability of its services throughout its Service Area
16 using media of general distribution. Air Voice will publicize the availability of Lifeline
17 service in a manner reasonably designed to reach those likely to qualify for the service. Air
18 Voice advertises the availability and prices of its services through a variety of media
19 including its extensive retail distribution network which includes retail locations in South
20 Carolina and nationwide as well as from Air Voice' website, www.feelsafewireless.com,
21 and other online outlets. Accordingly, more low-income South Carolina residents will be
22 made aware of the opportunities afforded to them under the Lifeline program and will be
23 able to take advantage of those opportunities by subscribing to Air Voice' service. A
24 sample of Air Voice' advertising is attached to its Application as Exhibit "H." S.C. Code
25 Reg. 103-690(C)(a)(7) requires an acknowledgement that the Company will advertise in a

media of general distribution the availability of its Lifeline services and the applicable charges. Air Voice has made this acknowledgement in the Affidavit of Air Voice's President Jim Bahri attached to its Application as Exhibit "I."

Q. IS AIR VOICE FINANCIALLY AND TECHNICALLY CAPABLE OF PROVIDING THE LIFELINE SERVICE IN COMPLIANCE WITH 47 C.F.R. § 54.202(A)(4)?

Air Voice has filed financial statements under seal with its Application as Exhibit F. Air Voice has been offering telecommunications service since 1999, and Lifeline service since April 2013. The Company has not been subject to enforcement sanctions or ETC revocation proceedings in any state. Furthermore, Air Voice's senior management has great depth in the telecommunications industry and offers extensive telecommunications business technical and managerial expertise to the Company. Air Voice's management bios are attached as Exhibit B to its Application.

Q. DOES AIR VOICE MEET THE ADDITIONAL ELIGIBILITY CRITERIA ESTABLISHED IN THIS COMMISSION AND FCC'S REGULATIONS?

A. Yes. Air Voice will comply with all additional ETC requirements set forth in Section 103-690 of the S.C. Code Reg. and Section 54.201 of the FCC's rules, as modified by the FCC in its *Lifeline Reform Order*. 47 C.F.R. § 54.202 imposes a number of changed requirements in order to be designated an ETC under Section 214(e)(6). Air Voice will comply with the requirements of 47 C.F.R. § 54.202, effective April 2, 2012, and will comply with the South Carolina requirements for initial designation pursuant to S.C. Code Reg. 103-690 as illustrated below.

1. Commitment to Provide Service. S.C. Code Reg. 103-690(C)(a)(1)(A)

A. Air Voice hereby makes a commitment to provide service throughout its proposed ETC designated service area to all customers who make a reasonable

1 request for service. If Air Voice's network already passes or covers the potential
2 customer's premises, Air Voice will provide service immediately. For those
3 instances where a request comes from a potential customer within Air Voice's
4 proposed ETC Designated Area but outside its existing network coverage, Air
5 Voice will provide service within a reasonable period of time if service can be
6 provided at a reasonable cost utilizing one or more of the following methods: (1)
7 modifying or replacing the requesting customer's equipment; (2) deploying a roof-
8 mounted antenna or other equipment; (3) adjusting network or customer facilities;
9 or (4) reselling services from another carrier's facilities to provide service.

10 **2. Advertising and Outreach Program S.C. Code Reg. 103-690(C)(a)(1)(C) &**
11 **(a)(7).**

12
13 A. South Carolina, as each state in which Air Voice operates, will have at least one
14 premier distributor that is responsible for distributing Lifeline service throughout
15 the state. These premier distributors will put together teams of agents and they go
16 to different areas in the state and promote its service at a variety of events. Air
17 Voice may also promote the availability of its Lifeline offering by distributing
18 brochures at various state and local social service agencies, and may partner with
19 nonprofit assistance organizations in order to inform customers of the availability
20 of its Lifeline service. Air Voice will also offer its service at selected retail
21 locations, and refills may be purchased through refill pin terminals such as Western
22 Union or online at www.feelsafewireless.com.

23 **3. Ability to Remain Functional in Emergency Situation S.C. Code Reg. 103-**
24 **690(C)(a)(2) and 47 C.F.R. § 54.202(a)(2).**
25

1 A. Air Voice has the ability to remain functional in emergency situations. Since
2 Air Voice is providing service to its customers through the use of facilities obtained
3 from other carriers it is able to provide to its customers the same ability to remain
4 functional in emergency situations as currently provided by those carriers to their
5 own customers, including access to a reasonable amount of back-up power to
6 ensure functionality without an external power source, re-routing of traffic around
7 damaged facilities, and the capability of managing traffic spikes resulting from
8 emergency situations.

9 Air Voice' underlying carrier, AT&T, has created back-up systems to
10 ensure full functionality in the event of a loss of power or network functionality.
11 And, Air Voice's switching facilities are housed in a carrier-class data center with
12 fully redundant power and HVAC, a controlled temperature and humidity
13 environment, fire-threat detection and suppression, year-round critical monitoring
14 and secure access with biometric security. The facility features redundant
15 generators and redundant fiber optic connectivity. The data center is a reinforced
16 concrete building located in a secure area and collocated with the area electrical
17 utility headquarters. It is powered from separate paths independent of any one
18 electrical generation plant. All systems within the facility are implemented on
19 redundant servers, each with redundant data network and power.

20 **4. Consumer Protection and Commitment to Provide Quality Service. S.C. Code**
21 **Reg. 103-690(C)(a)(3) and 47 C.F.R. 54.202(a)(1),(2).**
22

23 A. An ETC applicant must demonstrate that it will satisfy all consumer
24 protection and service quality standards pursuant to S.C. Code Reg. 103-
25 690(C)(a)(3). According to the requirements of 47 C.F.R. §202(a)(1)(i) Air Voice

certifies that it will comply with the service requirements applicable to the low-income support it receives as a result of designation as an ETC for purposes of receiving Lifeline. Air Voice will satisfy all consumer privacy protection standards as provided in 47 C.F.R. §64, Subpart U, as applicable, and will protect Customer Proprietary Network Information (“CPNI”) as required by state and federal law and will certify compliance with the same on an annual basis. Air Voice will annually certify its compliance with the CTIA Consumer Code and report the number of consumer complaints or trouble reports per 1,000 handsets or access lines consistent with the FCC’s *USF Order*¹ and S.C. Code Reg. 103-690(B)(a) and (b)(4). Air Voice in general commits to satisfying all applicable state and federal requirements related to consumer protection and service quality standards.

5. Comparable Local Usage / Rate Plan. S.C. Code Reg. 103-690(C)(a)(4).

A. As described previously Air Voice offers a local usage plan comparable to that offered by the ILEC in the Service Area for which it seeks designation as required by S.C. Code Reg. 103-690(C)(a)(4).

6. Equal Access. S.C. Code Reg. 103-690(C)(a)(5) and 47 C.F.R. § 54.202(a)(5).

A. Air Voice will provide equal access to long distance carriers, to the extent to which it is able to do so. The FCC’s rules no longer require an applicant to acknowledge that the FCC may require it to provide equal access to long distance carriers. South Carolina requires an acknowledgement from a prospective ETC that it may be required to “provide equal access to long distance carriers in the event no other eligible telecommunications carrier is providing equal access within the

¹ Federal-State Joint Board on Universal Service, First Report and Order, 12 FCC Rcd 8776 at ¶ 4 (1997) (“USF Order”).

designated service area.” S.C. Code Reg. 103-690(C)(a)(5) and 47 C.F.R. § 54.202(a)(5). Air Voice has provided the requisite acknowledgment, and reaffirms its commitment through this testimony. *See* Affidavit of Jim Bahri attached to Air Voice’ Application Exhibit “I.”

7. Universal Service Support. S.C. Code Reg. 103-690(C)(a)(6).

A. As described earlier, Section 214(e)(1)(A) of the Act requires an ETC to offer the services supported by federal universal service support mechanisms throughout its designated service area “either using its own facilities or a combination of its own facilities and resale of another carrier’s services.”² As described earlier, Air Voice will provide wireless service through resale and is pursuing Blanket Forbearance from the FCC.

8. Financial and Technical Showing. 47 C.F.R. §54.201(h).

A. Air Voice has the financial and technical capability to provide Lifeline service. As part of the Lifeline Reform Order, the FCC amended its rules to require a carrier seeking designation as a Lifeline-only ETC to demonstrate that it is financially and technically capable of providing the supported Lifeline service in compliance with all of the low-income program rules. Air Voice satisfies these criteria.

9. Designation of Air Voice as an ETC in the State of South Carolina Serves the Public Interest. S.C. Code Reg. 103-690(c)(b).

A. The FCC has previously held that designating a competitor as an ETC in areas served by non-rural ILECs is *per se* in the public interest. The Commission must determine that Air Voice’s designation is in the public interest by considering

² 47 U.S.C. § 214(e)(1)(A).

(1) the benefits of increased consumer choice and (2) the unique advantages and disadvantages of Air Voice's service offering pursuant to S.C. Code Reg. § 103-690(C)(b). These are the same factors used by the FCC. Air Voice submits that the public interest benefits of designating Air Voice as an ETC include (1) a larger local calling area and expanded coverage area via multiple underlying carriers (as compared to traditional wireline carriers and single wireless carriers); (2) the convenience, portability, and security afforded by mobile telephone service; (3) the opportunity for customers to control cost by receiving a pre-set amount of flat-rate monthly airtime; (4) the ability to purchase additional low-cost usage at multiple convenient locations in the event that included usage has been exhausted; (5) the ability of users to use the supported service to send and receive "SMS" or text messages as well as the option to send data and access the public internet; and (6) 911 and, where available, enhanced 911 service in accordance with current FCC requirements. In addition, the inclusion of domestic telephone toll calling as a part of Air Voice' flat-rate wireless offering allows consumers to avoid the risks of becoming burdened with significant and unexpected per-minute charges for domestic telephone toll and overage charges. These per-minute overruns form the basis of a substantial number of consumer complaints to state and federal regulators. Accordingly, Air Voice' offerings will help to reduce this burden on public utility regulatory boards by obviating the cause for such complaints.

The FCC has long acknowledged the benefits to consumers of being able to choose from a variety of telecommunications providers and the resulting variety of telecommunications services they provide. This is of particular interest in cases

1 where wireless providers like Air Voice seek to provide service as an alternative to
2 the ILEC. The wireless service offered by Air Voice will provide these consumers
3 with a convenient and affordable alternative to traditional telecommunications
4 service that can be used while at home and away from home.

5 Designation of Air Voice as an ETC also creates competitive pressure for
6 other wireline and wireless providers within the proposed service areas. In order
7 to remain competitive in low-income markets, therefore, all carriers will have
8 greater incentives to improve networks, increase service offerings and lower prices.
9 This results in improved consumer services and, consistent with federal law,
10 benefits consumers by allowing Air Voice to offer the services designated for
11 support at rates that are “just, reasonable, and affordable.”³

12 Designation of Air Voice as an ETC benefits the public interest of low-
13 income consumers throughout Air Voice’ Service Area. Approval of Air Voice’
14 ETC Application will serve the public interest by increasing participation of
15 qualified consumers in the Lifeline program in the State of South Carolina. Air
16 Voice will offer a unique, easy to use, competitive and highly affordable wireless
17 telecommunications service, which it will make available to qualified consumers
18 who either have no other service alternatives or who choose a wireless prepaid
19 solution in lieu of more traditional services. Air Voice’ Lifeline service is available
20 with no credit check, deposit requirement, minimum service periods, or early
21 termination fees. These services will be an attractive and affordable alternative to
22 all consumers, without regard to age, residency, or credit worthiness.

³ 47 U.S.C. § 254(b)(1).

Designation of Air Voice as an ETC will not pose any adverse effect in the growth in the high-cost portions of the USF, nor will it create or contribute to an erosion of high-cost funding from any rural or non-rural telephone company. The FCC reaffirmed this position when it stated that “the potential growth of the fund associated with high-cost support distributed to competitive ETCs’ is not relevant to carriers seeking support associated with the low-income program.”⁴ The FCC also recognized that the total effect of additional low-income-only ETC designations would have a minimal impact on the fund when it stated that “any increase in the size of the fund would be minimal and would be outweighed by the benefit of increasing eligible participation in the Lifeline program, furthering the statutory goal of providing access to low-income consumers.”⁵ It is also vital to recognize that in the case of Lifeline support, an ETC receives USF support *only* for the customers it obtains. In the scenario where a competitive ETC obtains a Lifeline customer from another ETC, only the “capturing” ETC provides Lifeline discounts and as a result, only the “capturing” ETC receives support reimbursement.

Q. PLEASE DESCRIBE HOW AIR VOICE WILL DETERMINE A POTENTIAL CUSTOMER’S ELIGIBILITY FOR LIFE LINE BENEFITS.

A. The application form that will be used by Air Voice requires each applicant to provide the following information:

- Name
- Primary residential address – and whether the address is a permanent address
- Billing address (if this differs from the residential address)
- Last four digits of social security number

⁴ Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i), CC Docket No. 96-45, Order, 20 FCC Rcd 15095 (2005) (“TracFone Forbearance Order”) at ¶ 17.

⁵ TracFone Forbearance Order, at ¶ 17.

- Birth date

Air Voice currently provides the above information to the National Lifeline Accountability Database, also known as NLAD, along with the additional information below:

- Telephone number (for Lifeline handset)
- Date of service initiation
- Date of de-enrollment (if applicable)
- Means by which the subscriber qualified for support
- Amount of Lifeline support received by the subscriber each month

Once the applicant has successfully provided all required certifications, proof of identification, proof of eligibility, and the CGM app has accessed all available databases (Identity, Duplicates etc.), a Real Time Review will be performed by an Air Voice Quality Assurance Representative. The Air Voice Quality Assurance Representative will review the entire application (along with the images of the Identification and proof of eligibility) and will either approve or deny the application. This review process is performed during the enrollment process. If an application is denied, the customer will not receive a handset.

Q. PLEASE DESCRIBE HOW AIR VOICE WILL ENSURE THAT EACH HOUSEHOLD RECEIVES ONLY ONE LIFELINE SUBSIDY.

A. All service orders will be checked real time on the front end in Air Voice' internal database, and its service provider CGM's inter-company duplicate database (some 30 companies participate in this database) for any duplicate. Furthermore, CGM checks Air Voice' records for internal duplicates every month prior to submitting its FCC Form 497 to USAC. Air Voice will terminate Lifeline benefits to any customer that does not demonstrate continued eligibility within 30 days following the date of an impending termination letter.

1 Furthermore, in its marketing materials describing the service Air Voice will
2 include the following information regarding its Lifeline service:

3 (1) it is a Lifeline service;

4 (2) Lifeline is a government assistance program;

5 (3) the service is non-transferable;

6 (4) only eligible consumers may enroll in the program;

7 (5) the program is limited to one discount per household; (6) documentation
8 necessary for enrollment;

9 (7) Air Voice's name (the ETC); and,

10 (8) notice that consumers who willfully make a false statement in order to obtain
11 the Lifeline benefit can be punished by fine or imprisonment or can be barred from
12 the program.

13 These statements will be included in all print, audio, video and web materials
14 (including social networking media) used to describe or enroll customers in the Company's
15 Lifeline service offering, as well as the Company's application forms and certification
16 forms. This specifically includes the Company's website and outdoor signage.

17 **Q. PLEASE DESCRIBE HOW AIR VOICE WILL TREAT CUSTOMERS THAT**
18 **PROVIDE A TEMPORARY ADDRESS.**

19 A. If a subscriber provides Air Voice with a temporary address, the Company will
20 verify with the subscriber every 90 days that this address remains valid. If the subscriber
21 fails to respond to the Company within 30 days, the subscriber will be de-enrolled from the
22 Lifeline program.

23 **Q. WILL AIR VOICE USE THIRD PARTY AGENTS TO SELL WIRELESS**
24 **SERVICE IN SOUTH CAROLINA? IF SO, HOW WILL AIR VOICE ENSURE**
25 **THE AGENTS' COMPLIANCE WITH LIFELINE RULES IN ACCORDANCE**
26 **WITH THE REQUIREMENTS SET FORTH IN THE FCC'S LIFELINE AND**
27 **LINK UP REFORM ORDER (FCC 12-11)?**

1 A. Air Voice will use third party agents in South Carolina. Air Voice will provide
2 Lifeline-specific training to all personnel, whether employees, agents or representatives at
3 authorized locations, that interact with actual or prospective consumers with respect to
4 obtaining, changing or terminating its Lifeline services. Air Voice understands and
5 acknowledges its responsibility for the acts and omissions of its employees, agents and
6 representatives.

7 To ensure all agents are following company rules, all Lifeline applications will be
8 reviewed by an Air Voice Quality Assurance representative before a handset can be given
9 out. This review allows Air Voice to determine whether the customer is eligible for Lifeline
10 service based on the requirements of the program and to check for accuracy on the
11 application details. An agent is not able to provide a handset to a customer unless an Air
12 Voice Quality Assurance representative performs a real time review and approves the
13 order. Air Voice Quality Assurance representatives are located at company headquarters.

14 All agents will be trained in person and/or online via a “Go to Meeting” session.
15 The Go to Meeting will be with a live person that can answer any questions the agent may
16 have. The Go to Meeting session provides complete Lifeline training and shows how to
17 use the CGM enrollment app that we utilize for Lifeline enrollments. Written training
18 packets are also provided to agents to keep as a reference guide.

19 **Q. WILL AIR VOICE RE-CERTIFY THE ELIGIBILITY OF ITS CUSTOMERS?**

20 A. Air Voice commits to annually re-certify all subscribers in accordance with S.C.
21 Code Reg. 103-690.1E(a)(4) and 47 C.F.R. § 54.410(f) of the FCC Rules, as recently
22 modified by the FCC in its *Lifeline Reform Order*. Air Voice will provide the results of its
23 annual re-certification efforts pursuant to the Commission's Rules. In addition, by the end

1 of 2012, Air Voice will re-certify the eligibility of all of its Lifeline subscribers as of June
2 1, 2012 and report the results to USAC by January 31, 2013. The Company will undertake
3 this re-certification on a rolling basis throughout the year. Furthermore, Air Voice commits
4 to submit an annual certification confirming the existence of policies and procedures to
5 confirm consumer eligibility and the Company's compliance with such policies and
6 procedures.

7 **Q. PLEASE DESCRIBE HOW AIR VOICE WILL TREAT CUSTOMERS THAT ARE**
8 **FOUND TO BE NO LONGER ELIGIBLE FOR LIFELINE BENEFITS.**

9 A. Consistent with the requirements in Section 54.405(e) of the FCC Rules, as recently
10 modified by the FCC in its *Lifeline Reform Order*, Air Voice will terminate Lifeline
11 benefits to any customer that does not demonstrate continued eligibility within 30 days
12 following the date of an impending termination letter. Air Voice will provide impending
13 termination letters to: (a) any customer that fails to demonstrate their continued eligibility
14 as part of the Company's annual re-certification efforts; (b) any customer the Company
15 believes, on a reasonable basis, no longer qualifies for the service under the eligibility
16 criteria identified in the FCC Rules; or (c) any customer that has no usage for 60
17 consecutive days, as described in more detail below. Air Voice will also terminate (within
18 five business days) Lifeline benefits to any customer or household the Company has been
19 notified to be receiving Lifeline benefits from more than one carrier.

20 **Q. PLEASE DESCRIBE ANY ADDITIONAL MEASURES AIR VOICE WILL**
21 **IMPLEMENT TO PREVENT WASTE, FRAUD AND ABUSE.**

22
23 **A. Non-usage Policy**

24 Air Voice will implement a non-usage policy whereby it will de-enroll Lifeline
25 customers that have not used the Company's Lifeline service for 60 consecutive days. Air

1 Voice will notify its subscribers at service initiation about the usage requirements and the
2 de-enrollment and deactivation that will result following non-usage in any consecutive 60-
3 day period of time. If no usage appears on an Air Voice Lifeline customer's account during
4 any consecutive 60-day period, Air Voice will deactivate Lifeline services for that
5 customer. An account will be considered active if during any 60-day period the authorized
6 subscriber does at least one of the following: makes a monthly payment; purchases minutes
7 from the Company to add to his or her existing pre-paid Lifeline account; completes an
8 outbound call; answers an incoming call from anyone other than the Company, its
9 representative, or agent; or affirmatively responds to a direct contact from the Company
10 confirming that he or she wants to continue Lifeline service.

11 **Q. WILL AIR VOICE COLLECT AND REMIT 911 FEES FOR ITS WIRELESS**
12 **SERVICES?**
13

14 A. Air Voice will collect 911 fees and remits them to the counties that it serves.

15
16 **Q. WILL AIR VOICE SUPPORT THE STATE UNIVERSAL SERVICE FUND IF IT**
17 **RECEIVES DESIGNATION?**
18

19 A. Yes, once it begins offering Lifeline ETC services in South Carolina, Air Voice
20 will contribute to the state Universal Service Fund as required. Air Voice will file an
21 annual report, a gross receipts reports, copies of its Form 497 submitted to USAC, and
22 annual reports required by the Commission's regulations. Air Voice will also provide the
23 ORS with such information as it may need in connection with its duties to administer the
24 state USF.

25 **Q. HAS AIR VOICE ENTERED INTO A STIPULATION WITH THE ORS IN THIS**
26 **CASE?**
27

1 A As of the date of this testimony, the ORS and Air Voice have entered into a
2 stipulation which I understand will be signed and submitted by counsel with this testimony.

3 **Q. ARE YOU FAMILIAR WITH THE TERMS OF THE STIPULATION?**

4 Yes, I am.

5 **Q. IS THE STIPULATION ACCEPTABLE TO AIR VOICE, AND WILL THE**
6 **COMPANY BE ABLE TO COMPLY WITH ITS TERMS?**

7 Yes, the terms of the Stipulation are consistent with Air Voice' duties as an ETC
8 under state and federal law and the Company will abide by them.

9 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

10 A. Yes.

11

12